

Jack Anderson's Washington Merry-go-round

Frank 9/12/78

Letter questioned in Vesco 'fix'

WASHINGTON — An incriminating letter which, if valid, would implicate White House aide Hamilton Jordan in a \$10 million payoff that was supposed to be laundered through a Bahamian corporation, has turned up in our investigation of the Robert Vesco fix.

The letter allegedly was written by Jordan's hometown buddy, Spencer Lee IV, the scion of a fine Old South Georgia family. He vehemently denies writing the letter, and Jordan denies receiving it.

Their alleged partner in the fix, R.L. Herring, a bankrupt businessman now awaiting trial on unrelated fraud charges, has sworn that he was present when Lee drafted the letter. Herring's former secretary, Gerolyn Hobbs, a housewife with two children, has attested that she typed and mailed the letter.

The astonishing letter is merely one jigsaw piece in an enormously complex puzzle that we have been fitting together for months. The search for the missing pieces has taken us from Costa Rica to Nassau, with half-a-dozen side trips to Georgia.

The pieces began falling into place immediately after Jimmy Carter won the 1976 election. Herring was in touch with Vesco, the corporate freebooter who allegedly plundered a mutual fund of a fortune estimated as high as \$500 million.

Vesco wanted the U.S. government, as Herring put it, "to get off his back." Herring looked around Georgia for someone who might be able to accomplish this. The quest brought him to the offices of Spencer Lee.

The man who put them together, Norman Gay, a former congressional aide who was then Lee's partner in some rental properties, explained the purpose in

an enlightening affidavit. As Gay recalled it, Herring and Lee plotted "to secretly bring money of Robert L. Vesco into the United States for the purpose of paying various parties to fix the legal problems Mr. Vesco had with the United States government."

Herring paid Lee a \$10,000 retainer, which Lee admitted he accepted for the purpose of using his influence with Hamilton Jordan in Vesco's behalf. Lee also acknowledged that Vesco "wanted the United States to leave him alone." But Lee swore to us, his voice rising sharply at times, that he had second thoughts and "never discussed Robert Vesco with Hamilton Jordan one time."

According to Herring's sworn account, Lee always came to his office to work on the Vesco deal. Lee wanted to conceal from his own office what he was doing, Herring explained. Added Herring's secretary: "I remember placing calls and receiving calls in the office from and to Hamilton Jordan."

Her recollection is supported by an office file, which contains carbon copies of telephone messages. On Jan. 5, 1977, for example, she recorded his message to Herring from Lee: "Talked to Hamilton. Everything okay."

Flight records show that Herring and Lee flew in a private jet to Costa Rica on Jan. 14, 1977, for a meeting the following day with Vesco. Two witnesses say that Vesco outlined the quid pro quos at this meeting. He listed specific steps that he wanted the U.S. government to take to end its "harassment" of him. In return, he offered to transfer some of his prime stock to the Georgians through some tortuous financial maneuvers.

He promised them stock in his \$120 million corporate flagship, Property Resources Limited, which is better known in international financial circles

simply as PRL. They would be able to sell their stock, he assured them, for no less than \$10 million.

On Jan. 27, 1977, Lee flew to Nassau to set up a Bahamian corporation, which was given the code name the conspirators had been using for the Vesco deal — Southern Ventures Limited. Herring says the company was supposed to be used to launder the \$10 million from the sale of the PRL stock. Lee insists he never knew its purpose but was merely following Herring's instructions. Gay's affidavit supports Herring's version.

On Feb. 7, 1977, Herring and Lee joined up in Washington. Lee was supposed to outline the whole Vesco deal to Jordan at the White House, Herring says. Lee swears he never did it.

Both agree that they flew back to Albany, Ga., together on Herring's plane on Feb. 9, 1977. Herring said he phoned his secretary from the airport. The telephone slips contain this Feb. 9, 1977, message to the secretary: "Wait at office. Spencer wants to dictate letter to Hamilton. Also get letter off today w/rest of mail."

Here is the controversial letter, which the secretary said Lee signed and she mailed to the White House on Feb. 9:

"Dear Hamilton: Regarding our conversation, it looks as the PRL matter will take eight to 12 months to complete. The time frame is well within our agreement with Mr. Herring and the Costa Rican gentleman.

"I forgot to mention to you when we talked that the necessary arrangements have been made to protect our interests in Nassau."

Both Jordan and Lee deny any knowledge of this incriminating letter. Either they are stonewalling a la Watergate, or someone has contrived an elaborate hoax. Already, conflicting statements have been made under oath.